

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6184**

**BILL NUMBER:** SB 121

**NOTE PREPARED:** Nov 6, 2006

**BILL AMENDED:**

**SUBJECT:** Health Benefit Purchasing Cooperatives.

**FIRST AUTHOR:** Sen. Drozda

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill authorizes health benefit purchasing cooperatives.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** The proposal would affect state expenditures if the state joined a cooperative and if expenses incurred while in the cooperative were different from expenses that would have been incurred outside of the cooperative. The specific impact is indeterminable and would depend on state action and the nature of the cooperative.

Cooperatives must file with the Secretary of State and with the Commissioner of the Department of Insurance (DOI). The DOI must adopt rules to provide for an employer's termination of participation in a cooperative if the employer experiences financial hardships. These requirements will result in additional administrative expenses for both offices. However, the existing budgets and resources of the offices should be able to cover any additional expense.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The proposal would affect local expenditures if the local unit joined a cooperative and if expenses incurred while in the cooperative were different from expenses outside of the cooperative. The specific impact is indeterminable and would depend on local action and the nature of the cooperatives.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.